

RuralAmerica

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In this issue, we feature a special section on rural housing. Although rural homeownership is even higher than the national average (two out of three households), the quality of rural housing is often below that in urban areas. Rural homes tend to be smaller, less expensive, and more likely to have physical defects. Three articles in this issue explore rural housing problems and the efforts of government agencies to combat them.

Leslie A. Whitener's article introduces a new indicator of housing poverty based on a combination of several measures—economic need, adequacy of housing, crowding, and neighborhood quality. Using this multidimensional measure, she finds that 17 percent of nonmetro households—4.3 million—were housing poor in 1995, versus 30 percent of central city households. Minority households were more likely to be housing poor. The most important factors in housing poverty varied by group—housing quality for minority families, economic need for White families. Overcrowding was especially significant for Hispanics.

Government policies at all levels have an impact on rural housing. Most direct Federal mortgage lending for rural housing goes through USDA's Section 502 Single Family Direct Loan Program, administered by the Rural Housing Service. These loans are targeted to low- and moderate-income rural residents who cannot obtain other credit for adequate housing. George Wallace, Linda Ghelfi, James Mikesell, and Leslie Whitener report on a recent ERS survey of Section 502 borrowers. Borrowers are generally first-time home buyers, under 40, and in families with children. Respondents credited the program with helping them find better housing and better neighborhoods.

Local government policies can also affect the type and availability of rural housing. Ann Ziebarth provides a case study of one Minnesota community and its use of zoning and other local regulations to guide housing development. Community leaders have tried to foster economic development through agricultural processing employment while preserving traditional rural ideals by encouraging single-family housing. These industries, however, have brought in seasonal and immigrant workers, who have had trouble finding affordable housing of that type. Efforts to expand low-income housing through townhouses and multifamily rental units have led to conflicts in the community.

Our two remaining articles relate to the rural workforce. Lorin D. Kusmin examines the payoff for using a computer at work, and finds a 10-percent premium overall for using computers on the job. However, although computers are more widely used in metro jobs, computer use explains only a small portion of the wage gap between metro and nonmetro areas. Moreover, better educated and more skilled workers benefit the most from computers. Computer training for low-skilled workers may not be enough to prepare them for better jobs.

Lorin D. Kusmin and Robert M. Gibbs explore the career paths of workers without college educations. Dividing occupations into "starter," "goal," and "dead-end" jobs, they find that metro and nonmetro areas have similar shares of these jobs. About half the less-educated workers whose entry-level jobs could be classified are able to begin with starter or goal jobs that have good prospects for advancement. Unfortunately, these are often in fields that may be on the wane. The other half—women and minorities especially—begin with dead-end jobs with little promise of promotions.

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